

## Message Text

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14

ACTION NEA-12

INFO OCT-01 AF-10 EUR-25 ISO-00 AGR-20 EB-11 COME-00

TRSE-00 OMB-01 AID-20 STR-08 CIAE-00 DODE-00 PM-07

H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01

SPC-03 SS-20 USIA-15 ACDA-19 IO-14 DRC-01 /219 W

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R 070643Z NOV 73

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 5403

INFO AMEMBASSY ABU DHABI

AMEMBASSY KUWAIT

USINT ALGIERS

AMEMBASSY AMMAN

AMEMBASSY BEIRUT

AMCONSUL DHAHREN

AMEMBASSY TEL AVIV

AMEMBASSY TRIPOLI

USMISSION OECD PARIS

C O N F I D E N T I A L JIDDA 4925

E.O. 11652: GDS

TAGS: ETRD, PFOR, SA, US

SUBJECT: U.S. FOOD EXPORTS TO SAUDI ARABIA

REF (A) STATE 217361; (B) KUWAIT 3919

SUMMARY. THE U.S. HAS TRADITIONALLY BEEN A MAJOR SUPPLIER OF FOODGRAINS TO SAUDI ARABIA. WHILE CURRENT STATISTICS NOT AVAILABLE, DIFFICULTIES IN PAKISTAN AND THAILAND PROBABLY HAVE RESULTED IN U.S. SUPPLYING OVER 50 PERCENT OF FOODGRAINS AT PRESENT. HOWEVER, WHILE FOOD EMBARGO MIGHT CAUSE TEMPORARY PROBLEMS FOR SAUDI ARABIA, IT WOULD BE BOTH INEFFECTIVE AND COUNTER-PRODUCTIVE IN THE LONG RUN.  
END SUMMARY.

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1. CURRENT STATUS OF U.S. FOOD EXPORTS TO SAUDI ARABIA

DIFFICULT TO DETERMINE DUE TO LAGGARD STATISTICS AND  
LARGE YEAR-TO-YEAR FLUCTUATIONS. TRADITIONALLY SAUDI  
ARABIA HAS BEEN BUYING LESS THAN 50 PERCENT OF HER  
FOODGRAINS FROM THE U.S. IN 1971 IMPORTS OF THE STAPLES  
WHEAT, RICE, AND FLOUR (OF WHICH RICE CONSTITUTES  
ABOUT TWO THIRDS) FROM THE U.S. WERE ABOUT 25 PERCENT OF  
THE TOTAL BY VOLUME. MOST OF THE REMAINDER CAME  
FROM CANADA AND AUSTRALIA (WHEAT) AND FROM THAILAND AND  
PAKISTAN (RICE).

2. AS RICE IS BY FAR THE MOST IMPORTANT OF THE ABOVE,  
WITH PAKISTAN FLOODED OUT AND THAILAND SUFFERING EXPORT  
DIFFICULTIES THE U.S. IS PRESUMABLY MOST IMPORTANT FOOD-  
GRAIN SUPPLIER AT PRESENT. SAG EARLIER THIS YEAR EX-  
HIBITED CONSIDERABLE CONCERN ABOUT ASSURING LONG-TERM  
SUPPLY AT QUOTE REASONABLE PRICES UNQUOTE AND RAISED  
QUESTION OF GOVERNMENT-TO-GOVERNMENT CONTRACT WITH US.

3. IF FOOD EMBARGO WERE TO BE IMPOSED IT CERTAINLY  
COULD CAUSE SAUDI ARABIA CONSIDERABLE INCONVENIENCE. IN  
VIEW OF THE RATHER SMALL ABSOLUTE AMOUNTS INVOLVED  
(200,000 METRIC TONS OF RICE, 130,000 M.T. OF WHEAT AND  
FLOUR) AND SAUDI PURCHASING POWER, SHE COULD PRESUMABLY  
ALWAYS FIND OTHER SUPPLIERS -- THOUGH IT IS NOT CLEAR  
TO US WHERE THE RICE WOULD COME FROM AT LEAST THIS YEAR,  
BUT TRADITIONAL IMPORT CHANNELS WOULD BE DISRUPTED,  
AND SUBSIDIES MIGHT BECOME NECESSARY TO CONTROL INFLATIONARY  
IMPACT OF INCREASED PRICES. WITH IMPORTS BEING SUCH A  
LARGE PART OF TOTAL FOOD SUPPLY EVEN TEMPORARY DISLOCATIONS  
OF SUPPLY WOULD HAVE DISRUPTIVE EFFECT ON MARKET.  
IT IS OBVIOUS THAT ANY COUNTER-EMBARGO WOULD BE  
INEFFECTIVE IN THE LONG RUN AND VIEWED AS VINDICTIVE BY  
THOSE MOST FRIENDLY TO U.S. INTERESTS.

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOOD SHORTAGE, EMBARGOES, GRAINS, AGRICULTURAL IMPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 NOV 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** n/a  
**From:** JIDDA  
**Handling Restrictions:** n/a  
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**Line Count:** 95  
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**Office:** ACTION NEA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Review Event:**  
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**TAGS:** ETRD, PFOR, SA, US  
**To:** STATE  
**Type:** TE  
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